



BellSouth Telecommunications, Inc.  
333 Commerce Street, Suite 2101  
Nashville, TN 37201-3300

guy.hicks@bellsouth.com

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REGULATORY AUTH  
May 11, 2001  
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GUY M. HICKS  
General Counsel  
615 214 6301  
Fax 615 214 7406  
EXECUTIVE SECRETARY

VIA HAND DELIVERY

David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: *Docket to Determine the Compliance of BellSouth  
Telecommunications, Inc.'s Operations Support Systems with State  
and Federal Regulations*  
Docket No. 01-00362

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth's Response to the Recommendation of the Pre-Hearing Officer. Copies of the enclosed are being provided to counsel of record for all known parties.

Very truly yours,



Guy M. Hicks

GMH:ch  
Enclosure

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
Nashville, Tennessee

In Re: *Docket to Determine the Compliance of BellSouth Telecommunications, Inc.'s Operations Support Systems with State and Federal Regulations*

Docket No. 01-00362

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE  
TO FIRST REPORT AND RECOMMENDATION OF PRE-HEARING OFFICER**

BellSouth Telecommunications, Inc. ("BellSouth") hereby responds to the First Report and Recommendation of Pre-Hearing Officer ("Recommendation"). BellSouth respectfully requests that the Authority reconsider the Recommendation in light of the work BellSouth already has undertaken on this issue, and modify the Recommendation to incorporate the results of those efforts. BellSouth's proposed modifications will ensure that the Authority has all of the information necessary to make a thorough and informed assessment of BellSouth's OSS, and they will allow the Authority to make its assessment expeditiously.

**DISCUSSION**

**A. BellSouth's Proposed Procedure**

As part of the Authority's evaluation of BellSouth's compliance with the competitive checklist, the Authority must make, among other things, a determination on (1) the regionality of BellSouth's OSS; and (2) the commercial readiness/performance of BellSouth's OSS. To aid the Authority in its investigation of these issues, the Pre-Hearing Officer recommended that the Authority retain an

independent third party consultant to opine on the extent to which the Authority needs to conduct its own third-party testing. BellSouth submits that a more efficient and informative procedure can and should be adopted. Specifically, BellSouth proposes that the Authority adopt a procedural schedule pursuant to which BellSouth may present evidence in support of its regionality case. Subsequently, the intervenors will file rebuttal evidence. After the submission of evidence, the Authority will conduct a hearing on the issues of regionality and OSS.

There are several advantages to this proposed process. First, it will allow the Authority to benefit from, and build off of, work already done by BellSouth on this issue rather than starting from scratch. Second, it will give the Authority the benefit of a full evidentiary record upon which to make these critical decisions. Third, to the extent the Authority decides it would be helpful, the Authority can engage a third party to be a part of the hearing process, rather than being the sole driver of the process. Finally, it allows the Authority to move forward expeditiously to bring the benefits of competition to consumers in Tennessee.

**B. The Authority Should Build On Work Already Done By BellSouth.**

The Authority need not hire an independent consultant to reinvent the wheel. Rather, the Authority should take advantage of the information already at its disposal.

1. BellSouth will provide the Authority with the same type of evidence relied upon by the FCC in the *Kansas/Oklahoma Order*.

In its *Kansas/Oklahoma Order*, the FCC established a roadmap pursuant to which a BOC can establish that its OSS are the same in different states in its region. According to the FCC, to rely on evidence from another state, a BOC must prove that its OSS in the two states are the "same." The "same" means a single OSS with a common set of processes, business rules, interfaces, systems, and, in some instances, personnel; or, where OSS are separate, that the OSS can be expected to behave in the same way in both states. BellSouth will provide the Authority with evidence in conformance with the FCC roadmap upon which the Authority can assess the regionality of BellSouth's systems.

Specifically, BellSouth will provide detailed testimony to prove that BellSouth provides one regional set of interfaces used by CLECs to request UNE and resale services. Second, BellSouth will provide detailed testimony to demonstrate that BellSouth's Local Carrier Service Center (LCSC) and other manual operations centers use the same physical facilities and the same personnel following the same procedures. In particular, this testimony will address the Direct Order Entry (DOE) and Service Order Negotiation and Generation System (SONGS) systems and demonstrate that these systems are one piece-part of processing manual/partially mechanized LSRs and that they have no material differences in functionality or performance, and thus reasonably can be expected to produce similar results. Third, BellSouth will provide detailed testimony to demonstrate that the

provisioning, maintenance and repair of CLEC orders are provided by BellSouth using the same processes, procedures, personnel and systems utilized for retail customers through a single network organization. Fourth, BellSouth will provide detailed testimony to demonstrate that BellSouth uses identical regional billing systems to bill CLECs for local services.

Finally, BellSouth will file the attestation and report of PriceWaterhouseCoopers ("PWC") to confirm its assertion that its OSS are the same region-wide. The FCC relied on a similar attestation in the *Kansas/Oklahoma Order*.

## 2. The PriceWaterhouseCoopers Attestation

At BellSouth's request, PWC conducted an attestation of two management assertions regarding the regionality of BellSouth's OSS. The assertions made by BellSouth management are as follows:

- BellSouth Telecommunications (BST) utilizes the same Pre-Order and Order operational support systems (OSS) throughout BST's nine-state region to support wholesale competing local exchange carrier (CLEC) activity, based on the criteria established in the Report of Management Assertions and Assertion Criteria on BellSouth Telecommunication's Operational Support Systems; and that
- BST's DOE and SONGS systems have no material differences in the functionality or performance for service order entry by the Local Carrier Service Centers (LCSC), based on the criteria established in the Report of Management Assertions and Assertion Criteria on BellSouth Telecommunication's Operational Support Systems.

At the conclusion of its examination, PWC concluded that

[i]n our opinion, the above described management assertions are fairly stated, in all material respects, as of May 3, 2001, based on the criteria set forth in the Report of Management Assertions and Assertion Criteria on BellSouth Telecommunications' Operational Support Systems.

Thus, in the opinion of PWC, BellSouth's OSS are region-wide.

As evidenced by the Management Assertions, PWC looked specifically at the comparability of DOE and SONGS. DOE and SONGS are two of the order entry systems used within the LCSC to create service orders. These systems use screens, menus, on-line access to back-end legacy systems and on-line editing to automatically generate common order data entries. DOE is used in the "old Southern Bell states" (GA, FLA, NC and SC) while SONGS is used in the "old South Central states" (LA, MS, TN, AL and KY). Both systems feed into the Service Order Generation System (SOCS), an on-line system for the collection, storage, and distribution of service orders to all user departments.

BellSouth asserted that there was no material difference in functionality or the performance of order entry between DOE and SONGS. To examine this assertion, PWC spent one week at the Birmingham LCSC (plus follow-up) and one week at the Atlanta LCSC (plus follow-up). PWC focused its testing on functionality and process comparability; performance comparability; and application comparability. PWC observed transactions input into DOE and SONGS to ensure that the process was not materially different in any way. PWC observed transactions for each service type (i.e. resale, complex and UNE). In addition, PWC

examined the timeliness of submitting orders in both DOE and SONGS, and validated that there were no material differences between the systems in performance.

PWC performed its attestation examinations in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA). Under AICPA attestation standards, an examination is the highest level of assurance that can be provided on an assertion and results in an opinion on the part of PWC that the assertions presented are fairly stated in all material respects. Given the high level of credibility of PWC's work, the Authority should modify the Pre-Hearing Officer's Recommendation to incorporate the PWC examination rather than starting such an investigation from scratch. BellSouth's proposed procedure incorporates the work of PWC.

**C. The Authority Should Conduct A Regionality/OSS Hearing to Review This Evidence.**

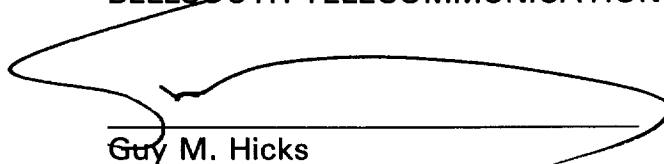
BellSouth respectfully submits that the Authority does not need to engage a third-party consultant to analyze the regionality of BellSouth's OSS given the enormous amount of evidence on the issue of regionality that already exists. There is no need for the Authority to start back at the beginning of this process given the work that has already been done. Rather, BellSouth submits that the Authority establish a procedural schedule and a hearing date that will provide BellSouth, and other parties, an avenue to present to the Authority all of the evidence, including the PWC attestation, that already exists. Once that process is established, the

Authority is free to retain a consultant to aid the Authority in its analysis of the evidence presented to it. BellSouth disagrees, however, that a consultant needs to be retained to lead the process. Such a process would lead to unnecessary delay with no appreciable benefit to the Authority.

It is important for the Authority to remember that BellSouth bears the burden of proof with respect to the issue of whether its OSS are region-wide. BellSouth is fully prepared to sustain that burden of proof with the evidence it has prepared. Rather than engaging a consultant to conduct an independent assessment, BellSouth submits that the Authority should conduct a hearing on regionality/OSS and give BellSouth the opportunity to prove its case.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

A handwritten signature in black ink, appearing to read "Guy M. Hicks", is written over a horizontal line.

Guy M. Hicks  
333 Commerce Street, Suite 2101  
Nashville, Tennessee 37201-3300  
(615) 214-6301

Fred J. McCallum, Jr.  
Lisa S. Foshee  
675 W. Peachtree Street, Suite 4300  
Atlanta, Georgia 30375



## CERTIFICATE OF SERVICE

I hereby certify that on May 11, 2001, a copy of the foregoing document was served on counsel for known parties, via the method indicated, addressed as follows:

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

James P. Lamoureux  
AT&T  
1200 Peachtree St., NE, #4068  
Atlanta, GA 30367

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

James Wright, Esq.  
United Telephone - Southeast  
14111 Capitol Blvd.  
Wake Forest, NC 27587

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

H. LaDon Baltimore, Esquire  
Farrar & Bates  
211 Seventh Ave. N, # 320  
Nashville, TN 37219-1823

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

Henry Walker, Esquire  
Boult, Cummings, et al.  
P. O. Box 198062  
Nashville, TN 37219-8062

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

Jon E. Hastings, Esquire  
Boult, Cummings, et al.  
P. O. Box 198062  
Nashville, TN 37219-8062

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

Timothy Phillips, Esquire  
Office of Tennessee Attorney General  
P. O. Box 20207  
Nashville, Tennessee 37202

☐ Hand  
☐ Mail  
☒ Facsimile  
☐ Overnight

Terry Monroe  
Competitive Telecom Assoc.  
1900 M St., NW, #800  
Washington, DC 20036

